

Saracen

Saracen Metals Pty Limited

Exploration Licence 48/2003 – Mt Block

Annual Report

Period ending 11 June 2005

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23 May 2005

1. Introduction

This report summarizes activities undertaken on EL 48/2003 – Mt Block during the year ending 11 June 2005.

2. Work Programme

Work during the quarter focused on compilation of historical Pasminco and Aberfoyle data. This data, in combination with recently acquired EM and magnetic data, is helping define target zones along the Henty Fault east of the historic Que River mine.

A number of Airborne EM anomalies have been identified in the area and these will also be followed up during the next summer field season. The location of these anomalies is shown in Figure 1. An interpretation report by the Company's geophysical consultant Dr J Silic can be found in Appendix 1.

Attempts to secure a suitable drilling contractor have been met with difficulty due to tightness in the market, particularly in Tasmania.

3. Environmental and rehabilitation activities

No work was done during the period.

4. Expenditure

Exploration expenditure for the year totalled \$25,111.81

Appendix 1. - Interpretation of Mt Read 2001/2002 Tasmanian Geological Survey Helicopter EM data.

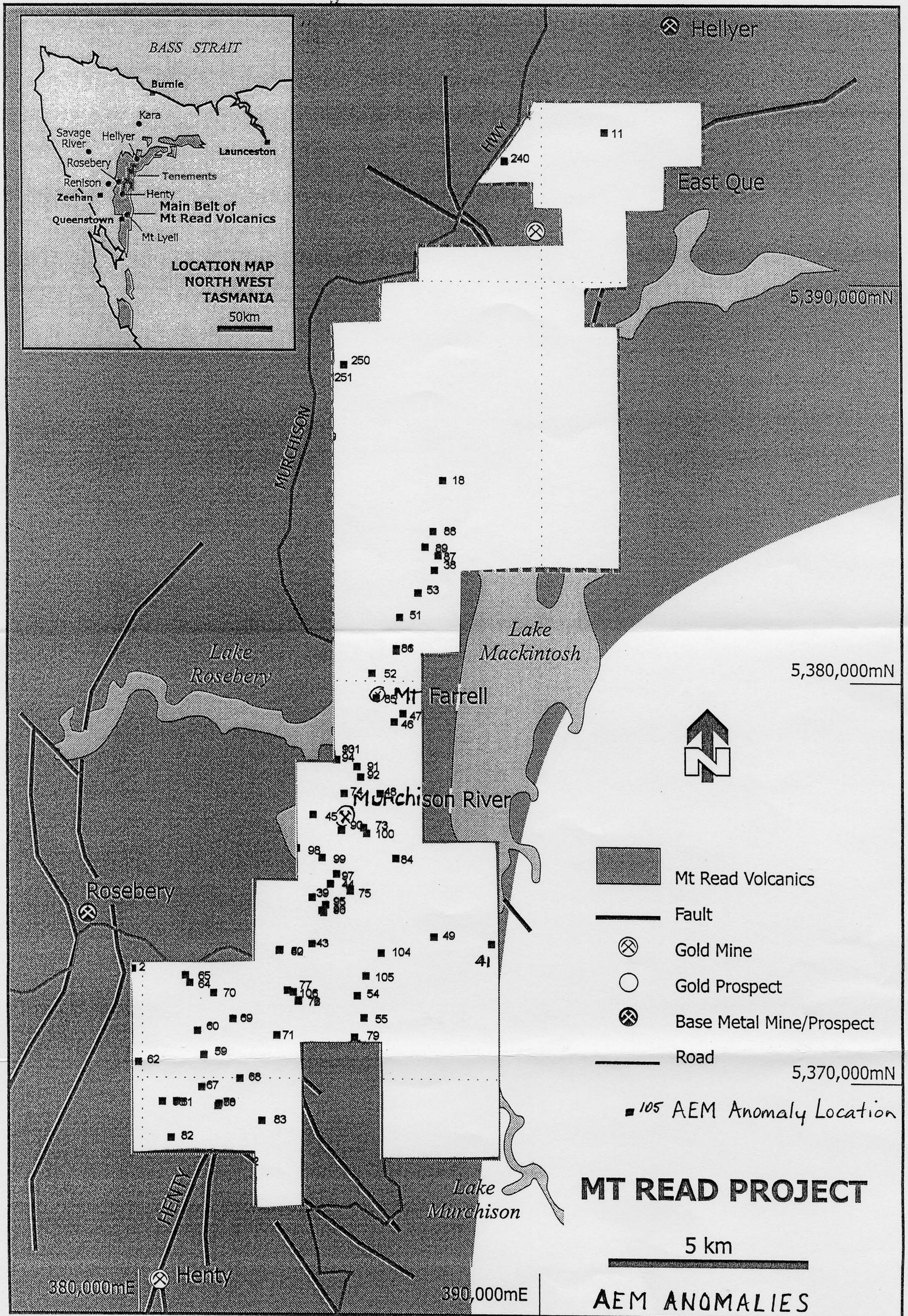


FIGURE 1